

DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

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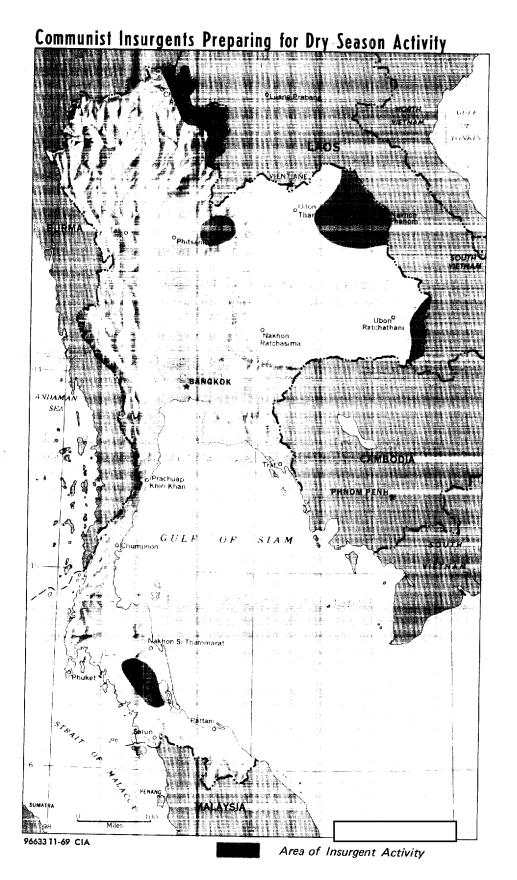
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Thailand: Communist insurgents may be getting ready for a new round of dry season activity in several parts of the country.

In the north and north central provinces, the Communists have strengthened their tribal guerrilla organization in the mountains, probably in preparation for their seasonal campaign against government security forces. Villagers and defectors have reported an increase in the number and size of units, many of which appear better armed than in the past. The Communists have improved their support mechanism by shifting some of their Laos-based command and supply units into Thailand. They have been virtually unopposed by government security forces.

The Communists also may be setting the stage for their first serious effort to move into adjacent lowlands. Sightings of ethnic Thai cadre and scattered incidents in these previously quiet areas may indicate the Communists for the first time are starting to develop an ethnic Thai movement. Heretofore, Communist efforts have been directed at minority tribal groups along the Laotian border.

In the northeast, the insurgents have begun to spread out from their traditional operating areas, as part of their year-long effort to broaden village support structures. These forays, consisting mostly of food and intelligence gathering missions, may also be designed to keep security forces off balance, a tactic used in previous years with only limited success. There is no indication, however, that the Communists in this area intend to take on government military forces in the near future.

In the southern peninsular provinces, meanwhile, Communist insurgents appear to be challenging the government's presence for the first time. In the last few weeks the guerrillas, although few in number, have conducted a series of violent attacks on local defense forces and government development projects that have dramatized their presence well beyond their actual strength. (Map)

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United Kingdom: The British trade returns for October confirm a rising trend in exports, but it is not as significant as initial figures suggest.

It now is clear that a substantial part of the improvement for August-October resulted from changes in the reporting practices of exporters. More vigorous government pressure to have export records turned in reduced chronic underreporting, but also yielded some artificial bunching and misallocation of monthly returns. These transitional problems in reporting may have inflated the trade surplus of \$165 million for August-October by as much as \$75 million.

In addition, roughly another \$50 million of the trade surplus represented the transfer of chronically "missing" exports from some other account in the balance of payments to merchandise trade. To the extent that recent gains in the trade account reflect earlier understatements or transfers from other payments accounts, they will have no net effect on Britain's international payments for 1969.

Although this casts a new light on the pace at which British exports have grown recently, it does not contradict the broad impression of a substantially improving trend in the current account of the balance of payments. Developments to be closely watched over the next few months will include Britain's exports to the North American market, which have lost ground since August, and any resurgence in imports, which have been relatively stable through much of 1969.

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UN - Arms Control: Several resolutions on chemical and biological warfare (CBW) will be proposed during the disarmament debate, which is expected to begin Monday in the General Assembly's political and security committee.

The Swedes have considerable nonaligned support for their initiative that would in effect have the Assembly interpret the Geneva Protocol of 1925 as prohibiting the use of CBW agents, including tear gas, in war. The Swedes offered this initiative at the Geneva disarmament talks and may introduce it in New York. Stockholm has not been deterred thus far by repeated US reminders that such action might complicate US ratification of the protocol, a step now under consideration.

The Soviets, however, have not been pushing their draft convention that would ban the development, production, and stockpiling of CBW agents and would require signatories to destroy existing stocks or divert them to peaceful uses.

The various CBW resolutions may be referred on the basis of a Canadian proposal to the Geneva disarmament talks for further consideration.

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#### NOTE

Venezuela: The nationwide teachers' strike in effect since 30 October was settled on Thursday after the government agreed to raise teachers' salaries 45 percent. By agreeing to the leaders' demands, the government has removed a potential rallying point that rebellious students could have used to further their own ends. The Caldera administration has also removed one of the many irritants that it presently faces, but may have opened the way for further agitation by other workers for similar wage increases.

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